

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,  
Petitioner,

vs.

MIRIAM P. PRUITT and  
ANGELA KRISTINA HAMMOND,  
Respondents.

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No: 12.01-098838J

NOTICE OF DEFAULT AND INITIAL ORDER

This matter came to be heard on June 5, 2008, before J. Randall LaFevor, Administrative Judge assigned to the Secretary of State, Administrative Procedures Division, and sitting for the Commissioner of the Tennessee Department of Commerce and Insurance in Memphis, Tennessee. Bruce Poag, Assistant General Counsel, Department of Commerce and Insurance, represented the State. Respondents, Miriam Pruitt and Angela Kristina Hammond, were not present at the hearing, nor did an attorney appear on their behalf.

ORDER OF DEFAULT

This matter was heard upon the Petitioner's Motion for Default due to a failure of the Respondents to appear or to be represented at the hearing on June 5, 2008, after receiving proper notice thereof. The record indicates that Petitioner exercised due diligence to properly serve Respondents at their last known address of record with the Department of Commerce and Insurance under the provisions of TENN. CODE ANN. § 56-6-112(g). After consideration of the record, it was determined that the Petitioner's motion was proper. Respondents were held in DEFAULT, and Petitioner was permitted to proceed with an uncontested case.

## INITIAL ORDER

The subject of this hearing was the proposed revocation of Respondents' insurance producer licenses in Tennessee. After consideration of the argument of counsel and the record in this matter, it is the determination of this Administrative Judge that the Respondents' insurance producer licenses should be **REVOKED**. This decision is based upon the following Findings of Fact and Conclusions of Law.

### FINDINGS OF FACT

1. On December 5, 2006, American Family Life Assurance Company ("Aflac") notified the Department of Commerce and Insurance that it had terminated Respondents' employment for cause based on forgery of applicants' signatures and misrepresentation of Aflac policy benefits.

2. In or around August 2006, Respondents met with employees of Camel Custom Canvas Shop ("Camel Custom") and its owner, David Christian Cain, ostensibly to provide them with Aflac rate quotes for supplemental insurance.

3. During the meeting, Respondents provided a brief overview and explanation of benefits of Aflac products. They also requested and received Camel Custom employees' biographical information (*e.g.*, dates of birth, social security numbers, addresses, etc.), which the employees were told was necessary to receive rate quotes. At no time were Camel Custom employees under the impression that their biographical information was going to be used for any purpose other than to receive accurate rate quotes from Aflac.

4. Within two weeks after the meeting, Camel Custom employees began receiving insurance policies from Aflac although none had requested any type of Aflac insurance coverage.

5. Although Mr. Cain never authorized or approved Aflac insurance coverage for his employees, he subsequently received an invoice from Aflac for his employees' insurance coverage.

6. Mr. Cain informed Aflac that at no time did he ever sign, or witness any of his employees sign, including electronically on the Aflac laptop computer, any Aflac insurance applications at the request of Respondents.

7. Mr. Cain subsequently reviewed Aflac insurance applications that evinced his signature, all of which were forged.

8. Camel Custom office manager Rayma Staser also provided Respondents with her biographical information for a rate quote. At no time was she under the impression that her biographical information was being used for any purpose other than to receive an accurate rate quote from Aflac.

9. At no time did Ms. Staser sign any Aflac insurance applications, including electronically on the Aflac laptop computer, at the request of Respondents.

10. Within two weeks after meeting with Respondents, Ms. Staser received approximately six (6) Aflac insurance policies without having received the rate quotes she expected.

11. Ms. Staser immediately verified with Aflac's corporate office that her policies and those of other Camel Custom employees were in effect.

12. Ms. Staser subsequently reviewed Aflac insurance applications that evinced her signature, all of which were forged.

13. All Aflac policies were subsequently canceled before Camel Custom or any of its employees had to pay any premiums.

## CONCLUSIONS OF LAW

1. TENN. CODE ANN. § 56-6-112(a)(8) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone who uses fraudulent, coercive or dishonest practices, or demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

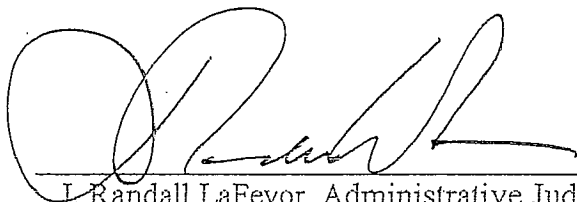
2. TENN. CODE ANN. § 56-6-112(a)(10) provides that the Commissioner may place on probation, suspend, revoke or refuse to issue or renew a license for anyone who forges another's name to an application for insurance or to any document related to an insurance license.

3. The State has met its burden of proof by a preponderance of the evidence that Respondents used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.

4. The State has met its burden of proof by a preponderance of the evidence that Respondents forged another's name to an application for insurance.

It is therefore **ORDERED** that Miriam Pruitt's insurance producer license, numbered 927920, and Kristina Hammond's insurance producer license, numbered 954321, be **REVOKED**.

This Initial Order entered and effective this 5<sup>TH</sup> day of JUNE  
2008.

  
J. Randall LaFevor, Administrative Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State, this

5TH day of JUNE 2008.



Thomas G. Stovall, Director  
Administrative Procedures Division

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Notice of Default and Initial Order has been sent *via* United States Mail, first class, postage prepaid, to Miriam Pruitt and Angela Hammond at the mailing addresses of 3128 Magnolia Avenue, #172, Knoxville, Tennessee 37914 and 283 East Lowwood Drive, Knoxville, Tennessee 37920, respectively, on this the 5TH day of JUNE 2008.



Administrative Procedures Division  
Office of the Secretary of State

**APPROVED FOR ENTRY:**

/S/

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